

Chairperson: Supervisor Elizabeth Cogs
Clerk: Carol Mueller, 278-4228
Research Analyst: Steve Cady, 278-4347

COMMITTEE ON FINANCE AND AUDIT

Thursday, October 28, 2010 at 9:00 A.M.

Milwaukee County Courthouse - Room 201-B

MINUTES

SCHEDULED ITEMS:

PRESENT: Supervisors Thomas, Mayo, Schmitt, Johnson, *West, Jursik and Cogs (Chair)

*Supervisor West was not present at roll call but appeared later in the meeting.

1. 10-F27 This public hearing is being held pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. The purpose of the public hearing is to give all interested persons an opportunity to express their views on the proposed issuance of general obligation bonds or notes by Milwaukee County to finance certain projects and the location and nature of the projects to be financed. **(INFORMATIONAL UNLESS OTHERWISE DIRECTED BY THE COMMITTEE.) (Clerk will read Public Hearing statement.)**

The Committee took no action on this informational item.

2. 10-354 From the Milwaukee County Treasurer, requesting changes to the Milwaukee County's investment policy.

APPEARANCE(S):

Dan Diliberti, Treasurer

Mr. Diliberti introduced the various investment consultants to the Committee. He also noted two typographical corrections to the resolution. He went on to further explain the difference in banks and investments that are fully insured by the FDIC. The investments are diversified into different banking institutions which limit the County's exposure. Two audits of the investment advisors have been done. A third will be done soon with a report back to the Committee on the findings. All three investment advisors have out performed the index.

ACTION BY: (Schmitt) Approve. Vote 6-0

AYES: Thomas, Mayo, Schmitt, Johnson, Jursik and Cogs (Chair)-6

NOES: -0

EXCUSED: West -1

3. 10-F28 From the Executive Director/Secretary, Ethics Board, a status report on the Ethics
(10-387) Educational Program. **(Also to the Committee on Judiciary, Safety and General**

SCHEDULED ITEMS (CONTINUED):

Services) (INFORMATIONAL UNLESS OTHERWISE DIRECTED BY THE COMMITTEE.)

APPEARANCE(S):

Veronica Robinson, Executive Director/Secretary, Ethics Board

Ms. Robinson told the Committee that the development of an ethics, training and educational program is being done in-house by partnering with other County departments. This has resulted in a significant reduction in cost. The goal of the Department is to use the original contract as a model. The first years' focus will be on hard copy training materials and the next two years will focus on video and in-person training.

ACTION BY: (Mayo) Concur with Judiciary Committee to receive and place on file the said report. Vote 6-0

AYES: Thomas, Mayo, Schmitt, Johnson, Jursik and Coggs (Chair)-6

NOES: -0

EXCUSED: West -1

4. 10-12
(a)(m)

From the Clerk of Circuit Court-Register in Probate, submitting a revenue deficit report. **INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

APPEARANCE(S):

Jim Smith, Chief Deputy, Clerk of Circuit Courts

Debbie Bachun, Fiscal and Operations Manager, Clerk of Circuit Courts

Cindy Archer, Director, Department of Administrative Services (DAS)

Mr. Smith provided the Committee with an update on the deficit figures. The deficit is related to attorney fees for Guardian ad Litem services to minors. The Department did implement two furlough days in addition to limiting expenditures.

A lengthy discussion ensued on the deficit.

Ms. Archer noted that the deficit will fall to the bottom line and will affect the property tax levy.

Supervisor Schmitt asked for a Departmental plan to cover this deficit.

ACTION BY: (Schmitt) Receive and place on file the said report. Vote 6-0

AYES: Thomas, Mayo, Schmitt, Johnson, Jursik and Coggs (Chair)-6

NOES: -0

EXCUSED: West -1

SCHEDULED ITEMS (CONTINUED):

5. 10-42 From the Manager of Real Estate Services, DTPW, monthly informational report
(a)(b) for land sale closing on UWM/Innovation Park. **(Also considered by the Committee on Economic & Community Development.) (INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

APPEARANCE(S):

Craig Dillmann, Manager of Real Estate Services, DTPW

Mr. Dillmann informed the Committee that UWM has met some major goals, but Chancellor Lovell needs to reach out to the donors to collect the pledges. In the Economic and Community Development Committee, UWM requested an additional extension to December 15, 2010, to stay within the contract.

ACTION BY: (Schmitt) Receive and place on file the said report. Vote 6-0

AYES: Thomas, Mayo, Schmitt, Johnson, Jursik and Coggs (Chair)-6

NOES: -0

EXCUSED: West -1

6. 10-373 From the Interim Chief Information Officer, Department of Administrative Services – Information Management Services Division (CIO) requesting authorization to enter into a professional service agreement with Noema LLC for architectural engineering support.

APPEARANCE(S):

Laurie Panella, Interim Chief Informational Officer, IMSD

Ms. Panella noted the vendor is a Wisconsin DBE firm that will provide the design plans for the back end of the IT infrastructure. This contract is on a time and materials basis and will affect the Sheriff, Medical Examiner, Behavioral Health departments and the capacity plan countywide.

ACTION BY: (Johnson) Approve. Vote 5-1

AYES: Mayo, Schmitt, Johnson, Jursik and Coggs (Chair)-5

NOES: Thomas -1

EXCUSED: West -1

7. 10-370 From the Interim Executive Director, Department of Family Care, requesting the creation of an imprest fund in the amount not to exceed \$200.

APPEARANCE(S):

Maria Ledger, Interim Director, Department on Family Care

Jim Hodson, Chief Financial Officer, Department on Family Care

SCHEDULED ITEMS (CONTINUED):

ACTION BY: (Mayo) Approve. Vote 6-0

AYES: Thomas, Mayo, Schmitt, Johnson, Jursik and Coggs (Chair)-6

NOES: -0

EXCUSED: West -1

8. 10-379 From the Interim Director, Department of Health Human Services, requesting authorization to abolish one Child Care Program Specialist and create one position of Contract Specialist in the Milwaukee Early Child Care Administration, Division of Early Care and Education. **(Also to the Committee on Personnel, Department of Administrative Services, and Division of Human Resources.)**

APPEARANCE(S):

Geri Lyday, Interim Director, Department of Health and Human Services
Delores Paar, Wisconsin Department of Family Services

ACTION BY: (Mayo) Approve the position actions as requested. Vote 5-1

AYES: Thomas, Mayo, Schmitt, Johnson and Coggs (Chair)-5

NOES: Jursik -1

EXCUSED: West -1

9. 10-284 From the Interim Director of Health and Human Services, a report regarding the (a)(b) 2010 Behavioral Health Division Capital Budget Project and issues regarding the recent Statement Of Deficiency. **(Also to the Committee on Health & Human Needs.) (INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

APPEARANCE(S):

Geri Lyday, Interim Director, Department of Health and Human Services

The Department has made significant progress and is on target with cooperation from the skilled trades, the Department of Transportation and Public Works and their own staff. The SOD is open until April of 2011. Each time a review is done on the improvements, the inspectors identify other issues. Some are remedied immediately. This is a work in progress. The State survey of Hill Top is going on now with the goal to receive joint accreditation. Additional money is funded in 2011 for safety and security. The BHD building has tenants that are using some space, so the whole building is being utilized.

ACTION BY: (Johnson) Receive and place on file the said report. Vote 6-0

AYES: Thomas, Mayo, Schmitt, Johnson, Jursik and Coggs (Chair)-6

NOES: -0

EXCUSED: West -1

SCHEDULED ITEMS (CONTINUED):

10. 10-1 Fund transfers (13)
(a)(v) A Departmental Receipt of Revenue (4)
(a)(w) B Capital Improvements (4)
(a)(x) C Departmental Capital Outlay (1)
(a)(y) D Inter-Departmental (1)
E Departmental (3)

APPEARANCE(S):

Steve Kreklow, Fiscal and Budget Administrator, DAS

John Ruggini, Assistant Fiscal and Budget Administrator, DAS

ACTION BY: (Mayo) Approve. Vote 6-0

AYES: Thomas, Mayo, Schmitt, Johnson, Jursik and Coggs (Chair) -6

NOES: -0

EXCUSED: West -1

11. 10-132 A. From the Department of Administrative Services (DAS), requesting approval
(a)(g) of a resolution to delegate final approval for the General Obligation Promissory Notes Series 2010D, not to exceed \$9,770,000, including all finalized sale details, to the Finance and Audit Committee.

See Item 11B for Committee discussion and actions.

- 10-132 B. From the Department of Administrative Services (DAS), requesting approval
(a)(h) of a resolution to delegate final approval for the Taxable General Obligation Corporate Purpose, Series 2010C (Build America Bonds – Direct Payment) , not to exceed \$38,165,000, including all finalized sale details, to the Finance and Audit Committee.

APPEARANCE(S):

Pamela Bryant, Capital Finance Manager, DAS

Chuck Gerard, Bond Counsel

This is the second financing of bonds for 2010.

ACTION BY: (Johnson) Approve Items 11-A & B together. Vote 5-1

AYES: Mayo, Schmitt, Johnson, Jursik and Coggs (Chair) -5

NOES: Thomas -1

EXCUSED: West -1

12. 10-380 From the Department of Administrative Services (DAS), expressing official intent regarding certain capital expenditures to be reimbursed from the proceeds of an obligation.

SCHEDULED ITEMS (CONTINUED):

APPEARANCE(S):

Pamela Bryant, Capital Finance Manager, DAS

The Airport Narrowband project was inadvertently omitted from the list of the reimbursement bond issue.

ACTION BY: (Johnson) Approve. Vote 6-0

AYES: Thomas, Mayo, Schmitt, Johnson, Jursik and Coggs (Chair) -6

NOES: -0

EXCUSED: West -1

13. 10-F29 (10-393) From the Fiscal and Budget Administrator and the Director, Department of Transportation and Public Works, a report on the space reallocation plans. **Also to be considered by the Committees on Transportation, Public Works and Transit and Health and Human Needs.) (10/15/10: Referred to the Committees from the Finance and Audit Budget Hearing Committee.) (INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

APPEARANCE(S):

Steve Kreklow, Fiscal and Budget Administrator, DAS

Jack Takerian, Director, Transportation and Public Works

This report initiated in the hearings for the 2011 Budget. The Department was asked to provide the Committee with the plans and locations of all departments involved in the relocation plans for the Courthouse, City Campus and the Coggs Center.

ACTION BY: (Jursik) Receive and place on file the said report. Vote 5-0

AYES: Thomas, Mayo, Schmitt, Jursik and Coggs (Chair) -5

NOES: -0

EXCUSED: Johnson and West -2

14. 04-267 (a)(g) From the Capital Finance Manager, Department of Administration, a report on due diligence for Johnson Controls Inc., regarding Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) at selected County facilities. **(Also to the Committee on Transportation, Public Works and Transit.) (4/7/10 Referred to DAS for more detailed information.) (Update and recommendation from DAS on performance contracting.) (INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

APPEARANCE(S):

Pamela Bryant, Capital Finance Manager, DAS

Sarah Jankowski, Fiscal Management Analyst, DAS

Jack Takerian, Director, Transportation and Public Works

SCHEDULED ITEMS (CONTINUED):

Greg High, Director, Architecture, Engineering and Environmental Services (DTPW)
Rick Schuster, Johnson Controls, Inc.

Ms. Jankowski gave an in-depth overview of the findings brought forward in the due diligence report. The report included a cost comparison of steam and natural gas. The Department recommends this project become part of the 2013 Bonding for Capital Projects. This project is different from most GESPC contracts because this completely replaces one form of energy with another.

Mr. Schuster spoke to the Committee on the loss of savings associated with this project if it is delayed.

Mr. Takerian stated with all the development at the County Grounds, this conversion will be needed sooner or later.

Questions and comments ensued.

ACTION BY: (Johnson) Approve the resolutions from DAS recommending substitution of other projects in Phase 2 of performance contracting for the Johnson Controls proposal to convert from steam to natural gas at the Parks Administration, Fleet Garage, Sheriff's Building and Children's Court Center. Vote 2-4

AYES: Mayo and Jursik -2

NOES: Thomas, Schmitt, Johnson and Coggs (Chair) -4

EXCUSED: West -1

The motioned failed. The recommendation to the Board will be to REJECT the Department's recommendation.

15. 10-F30 (10-394) From the Fiscal and Budget Administrator, a report on the Passenger Vehicle Review. **INFORMATIONAL UNLESS OTHERWISE DIRECTED BY THE COMMITTEE.)**

APPEARANCE(S):

Steve Kreklow, Fiscal and Budget Administrator, DAS

This is an annual report showing the vehicle use and by which positions within the Departments. Supervisor Mayo asked for the beginning and ending mileage to be included in future reports and if available, a revised report that includes this information.

ACTION BY: (Johnson) Receive and place on file the said report. Vote 7-0

AYES: Thomas, Mayo, Schmitt, Johnson, West, Jursik and Coggs (Chair) -7

SCHEDULED ITEMS (CONTINUED):

NOES:-0

16. 10-228 From Fiscal and Budget Administrator and Director of Human Resources, a report on the abolishment of 127 positions from various county departments. **(6/17/10 F&A referred to budget cycle process. 10/13/10 Referred back to F&A.)**

APPEARANCE(S):

Steve Kreklow, Fiscal and Budget Administrator, DAS

All the positions in the report are vacant. This will reconcile the Brass budgeting system and the Ceridian payroll system.

ACTION BY: (Johnson) Approve. Vote 6-1

AYES: Thomas, Schmitt, Johnson, West, Jursik and Coggs (Chair)-6

NOES: Mayo -1

17. 10-52 From the Director of Audits, a status report on the Audit "A Tale of Two Systems: (a)(a) Three Decades of Declining Resources Leave Milwaukee County Parks Reflecting the Best and Worst of Times". **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

APPEARANCE(S):

Jerry Heer, Director of Audits

A number of Department and policy maker recommendations included in this audit will be included and addressed within the audit report for Item 18.

ACTION BY: (Thomas) Concur with the Parks Committee to receive and place on file the said report. Vote 7-0

AYES: Thomas, Mayo, Schmitt, Johnson, West, Jursik and Coggs (Chair) -7

NOES: -0

18. 10-389 From the Director of Audits, an audit titled ["Milwaukee County Needs to Commit to a Preventative Repair & Maintenance Program to Ensure Public Safety"](#).

APPEARANCE(S):

Jerry Heer, Director of Audits

This audit along with the audit addressed in Item 19 was directed by the Chairman of the County Board after the tragic events at O'Donnell Park parking structure, the SOD of BHD and the piece of concrete that fell from the Courthouse. In addition to the work done by the Audit, the County Board Chairman and County Executive had an inspection done by Graef for the facades of all County buildings. That report identified \$8 million for repairs just to the

SCHEDULED ITEMS (CONTINUED):

facades.

This Audit goes beyond the facade inspections to see how Milwaukee County proactively identifies buildings for the needs of repairs related to maintenance and safety.

This reports talks about O'Donnell Park but is not intended to address the death/injuries at O'Donnell Park. As a matter of record, it's the Department's belief that is was related to the façade instillation issue and is apart from the façade and maintenance issues.

Milwaukee County owns over 900 buildings and structures of various types and sizes. They are managed by the property manager within the operating department. There are no formal policies or procedures establishing baseline requirements. Different property managers have informal processes for assessing the conditions of buildings. Some operate on a reactive rather than proactive basis. There is very little emphasis on assessments.

DTPW has a list of 521 buildings to be assessed with 66% reviewed. A web-based system from the 1990's is used to evaluated and store the reviews but doesn't tract repairs and maintenance.

Questions and comments ensued at length.

Mr. Heer suggested the audit be referred to the Committee on Transportation Public Works and Transit to assist in the development of a plan to ensure the buildings are secure and safe.

ACTION BY: (Mayo) Refer the Audit to the Committee on Transportation, Public Works and Transit to read the response from Public Works and develop a plan to move forward. Vote 7-0

AYES: Thomas, Mayo, Schmitt, Johnson, West, Jursik and Coggs (Chair) -7

NOES: -0

19. 10-390 From the Director of Audits, an audit titled "[System Changes are Needed to Help Ensure Patient and Staff Safety at the Milwaukee County Behavioral Health Division](#)".

APPEARANCE(S):

Jerry Heer, Director of Audits

The audit looked at the existing body of work. In the key survey findings in regards to patient rights, governance and accountability and nursing services, BHD has taken actions. Some issue need diligence by BHD to ensure

SCHEDULED ITEMS (CONTINUED):

efficiencies. In addressing the unsafe conditions there were staffing issues and complaints. Staffing levels and overtime have been fairly stable. Patient consensus has decreased.

The challenges of the unsafe conditions relate to the patient types that have trended from 2005-2009. The indents dipped in 2010 due to the proactive deployment of staff. In 2011, the Department will hire 18FTE positions based on the activities at BHD. The audit addressed the issue of unsafe staffing of nurses but could find a direct correlation between incidents and unsafe staffing. The unsafe staffing reports do represent a perception of an unsafe environment.

The Audit recognized three types of patients that created significant challenges and recommends BHD focus on Community support infrastructure, consideration of single gender wards, along with a secure ward.

Accountability was a concern. The system of accountability allows CMS- State review, to review patient safeties and make recommendations. All staff is subject to the usual discipline and accountability. They are also subject to medical staff peer review which is standing practice for every hospital in the nation. The staff argues that it works. All medical staff is currently in good standing with the licensing authorities.

Questions and comments ensued.

ACTION BY: (Mayo) Refer the Audit to the Committee on Health and Human Needs. Vote 7-0

AYES: Thomas, Mayo*, Schmitt, Johnson, West, Jursik and Coggs (Chair) -7

NOES: -0

*Note: Supervisor Mayo asked to be considered to change his no vote to vote with the majority. This action will not change the outcome. There being no objections, it was so ordered.

STAFF PRESENT:

Dan Diliberti, Treasurer

Veronica Robinson, Executive Director/Secretary, Ethics Board

Jim Smith, Chief Deputy, Clerk of Circuit Courts

Debbie Bachun, Fiscal and Operations Manager, Clerk of Circuit Courts

Cindy Archer, Director, Department of Administrative Services (DAS)

Craig Dillmann, Manager of Real Estate Services, DTPW

Laurie Panella, Interim, Chief Informational Officer, IMSD

Maria Ledger, Interim Director, Department on Family Care

Jim Hodson, Chief Financial Officer, Department on Family Care

Geri Lyday, Interim Director, Department of Health and Human Services

SCHEDULED ITEMS (CONTINUED):

Steve Kreklow, Fiscal and Budget Administrator, DAS
John Ruggini, Assistant Fiscal and Budget Administrator, DAS
Pamela Bryant, Capital Finance Manager, Department of Administrative Services, DAS
Sarah Jankowski, Fiscal Management Analyst, DAS
Jack Takerian, Director, Department of Transportation and Public Works(DTPW)
Greg High, Director, Architecture, Engineering and Environmental Services, DTPW
Jerry Heer, Director of Audits
Steve Cady, Fiscal and Budget Analyst, County Board

This meeting was recorded on a tape. Committee files contain copies of communications, reports and resolutions, which may be reviewed upon request to the Chief Committee Clerk. The official copy of these minutes, along with the audio recording of this meeting, are available in the County Board Committee Services Division.

Length of meeting: 9:05 a.m. to 11:35 a.m.

Carol Mueller

Chief Committee Clerk

ADA accommodation requests should be filed with the Milwaukee County Office for Persons with Disabilities, 278-3932 (voice) or 278-3937 (TTD), upon receipt of this notice.

DEADLINE FOR THE FINANCE & AUDIT COMMITTEE:

The next regular meeting is Thursday, December 9, 2010 at 9:00 a.m.

All items for the agenda must be in the Committee Clerk's possession
by the end of the business day on **Tuesday November 23, 2010.**